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THE COMMONWEALTH OF MASSACHUSETTS

BOARD OF REGENTS OF HIGHER EDUCATION

Compliance Unit
75 Arlington Street, Room 530
Boston, Massachusetts 02116
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University of Massachusetts
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February 27, 1991

Joseph D. Duffy, President
University of Massachusetts
Presidents Office
250 Stuart St. 12th Floor
Boston, MA 02116

Dear President Duffy:

We have completed our review of University of Massachusetts' Tuition Retention Program for the period July 1, 1989 to June 30, 1990.

The purpose of our review was to determine whether the University's methodology and operating procedure relative to Chapter 240 of the Acts of 1989, Tuition Retention, are being executed in accordance with regulations as prescribed by the Commonwealth of Massachusetts Board of Regents of Higher Education.

Our review procedure consisted of the following as they relate to Tuition Retention:

1. Study and evaluation of methods used for tuition receipts.

2. Review of records to evaluate their completeness and accuracy in recognizing earned retained revenues.

3. Review the implementation of prior year audit findings.

4. Other tests of the college's compliance with applicable laws and regulations that may have a material affect on tuition retention.

Conclusion:

Based upon our review, University of Massachusetts has implemented a system of recording tuition retention which conforms with the Board of Regents Regulations. However, tuition retention was overstated by $182,676. See attached Exhibit I for detailed audit results and comments.

Sincerely,

Joseph J. Casarano

Joseph J. Casarano
Director, Compliance Unit

9/11/12

cc: G. Oakes
A. Lazare
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Board of Regents
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EXHIBIT I

UNIVERSITY OF MASSACHUSETTS
AUDIT RESULTS AND COMMENTS

Field Auditor: Joseph J. Casarano, Director, Compliance Unit
Audit Scope: Fiscal Year 1990 Tuition Retention Dollars
Exit Conference Date: Via telephone, February 27, 1991
Exit Conference Attendees: David Wolcott and Joseph Casarano

A. Tuition Receipts:

Total tuition retention dollars calculated and credited by the University in F/Y 90 was $8,245,534 on tuition dollars collected of $46,893,241. The breakdown by campus is as follows:

	TUITION RETENTION	TUITION COLLECTED
Amherst	$6,068,208	$34,041,412
Boston	$2,040,368	$11,951,694
Worcester	$136,958	$900,135

B. Tuition Retention Calculation:

The "specific identification" method is currently used by the University to calculate tuition retention. This method calculates tuition retention on an individual student account basis. We noted a program error for the spring semester at the Amherst campus which resulted in the incorrect taking of tuition retention on students who received waivers, $193,703. Also, the Boston campus adjustment for the non-resident spring surcharge resulted in an understatement of earned tuition retention of $11,027.

Recommendation:

We recommend that the University make an adjustment to the tuition retention accounts for fiscal year 1991 in the amount of $182,676:

- o reduce earned retained revenues at the Amherst campus by $193,703;

- o increase the earned retained revenues at the Boston campus by $11,027.

In addition, the Amherst campus should prepare monthly tuition retention reports that would reconcile cash received, tuition retention earned, waivers and student accounts receivable.

C. Prior Audit Findings:

Our review verified that the University appropriately made the adjustment to the tuition retention account to recognize the overstated income identified in our prior audit review. Also, the mid-year review for fiscal 1991 will include tuition retention funds. The mid-year review is presented to the Board of Trustees and details revenues and expenditures to date with comparison of actual to budgeted figures.